

STATE OF HAWAI‘I

OFFICE OF THE AUDITOR

Request for Statement of Qualifications to Provide
Auditing, Accounting, and Related Professional Services
(RFQ 2015-01)

I. INTRODUCTION

Article VII, Section 10 of the State Constitution and Section 23-4, Hawai'i Revised Statutes (HRS), require the Auditor, State of Hawai'i, to conduct postaudits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions. They further require the State Auditor to certify to the accuracy of all financial statements issued by the respective accounting officers of the State.

The State Auditor is soliciting statements of qualifications to provide auditing, accounting, and related professional services and intends to employ the services of certified public accounting firms to conduct such engagements.

This request for statement of qualifications may be cancelled and any and all statements may be rejected in whole or in part when it is in the best interest of the State. This RFQ 2015-01 supercedes any previous requests for Statement of Qualifications.

II. PURPOSE OF THE REQUEST FOR QUALIFICATIONS

The purpose of the Request for Qualifications (RFQ) is to solicit and evaluate current Statement of Qualifications (SOQ) from prospective offerors, and prepare a list of qualified firms to provide professional services needed by the State Auditor.

III. SCOPE OF SERVICES

This scope of services provides general guidelines for the work the State Auditor expects to be performed, and is not a complete listing of all services that may be required:

Financial audits, reviews, agreed upon procedures, and other related professional services

The State Auditor seeks certified public accountants (CPAs) with government accounting and fiscal expertise interested in providing the following services:

1. Postaudits of the transactions, accounts, programs, and performance of departments, offices, and agencies of the State and its political subdivisions;
2. Postaudits and examinations to discover evidence of any unauthorized, illegal, irregular, improper, fraudulent, or unsafe handling or expenditure of state funds, or other improper practice of financial administration;
3. Reviews of the audited entities' governing laws and rules to determine entity adherence to them; and

4. Financial reviews, internal control examinations, agreed upon procedures, and other related services, including reviews of the efficiency and effectiveness of information, accounting, and other related systems and procedures.

IV. SUBMISSION REQUIREMENTS

This RFQ is in accordance with Section 103D-304, HRS, of the *Hawaii Public Procurement Code*. Certified public accounting firms interested in providing these auditing, accounting, and related professional services for the fiscal year ending June 30, 2015 and up to three additional fiscal years, should submit a letter of interest along with a current Statement of Qualifications. The accurate completion of Form SOQ 2015-01, in its entirety, should result in a Statement of Qualifications that provides sufficient information upon which to evaluate such qualifications.

Pursuant to Section 3-122-149, Hawai'i Administrative Rules (HAR), relating to multi-year contracts, all prospective offerors should be aware that funds for services as agreed shall be available for only the initial fiscal year of the multi-year contract. Further, the contractual obligation of both parties in each subsequent fiscal year is subject to appropriation by the State Legislature and availability of funds. A contract will be cancelled when funds are not appropriated or otherwise made available; however, this does not affect either the State's rights or the contractor's rights under any termination clause of the contract. A contractor will be notified on a timely basis by the State Auditor, as Head of the Purchasing Agency (HOPA), on the availability of funds for the continuation of the contract for each succeeding fiscal year as required under Section 3-122-149(f)(6), HAR. In the event of cancellation, as noted above, the

contractor will be reimbursed the unamortized, reasonably incurred, nonrecurring costs pursuant to Section 3-122-149(f)(7), HAR.

Prospective offerors shall submit an original hard copy, four complete hard copies, and one soft copy of the Form SOQ 2015-01 in its entirety. Responses and all related materials must be clearly marked **RFQ Procurement of Auditing, Accounting, and Related Professional Services** and **received by 12:00 p.m., Friday, March 20, 2015**. Responses should be delivered to:

Office of the Auditor

465 South King Street, Room 500

Honolulu, HI 96813

Postmarks will not be considered in judging timeliness of submissions. Responses submitted by facsimile or email will not be accepted. Late submissions will not be considered.

V. EVALUATION AND SELECTION CRITERIA

Pursuant to Section 103D-304(c), HRS, all statements of qualifications from prospective offerors received prior to the deadline will be evaluated by a review committee designated by the State Auditor as the HOPA. Upon evaluation, the review committee will prepare a list of qualified firms. Based on the information provided in the Statement of Qualifications, the review committee will also categorize the list of qualified firms (e.g., by areas of interest, size, and capacity of the qualified firms, areas of expertise, etc.).

When the need for professional services arises during the fiscal year, the State Auditor as the HOPA will designate a selection committee to examine and evaluate the Statement of Qualifications and performance data of those on the list of qualified firms and related information such as references and reports. The selection committee will rank a minimum of three firms from the list of qualified firms based on the selection criteria set out in Section 103D-304(c), HRS, for review by the State Auditor as the HOPA. The selection committee shall rank those qualified firms holding the same qualifications in a manner that ensures equal distribution of contracts.

Both the review committee and the selection committee shall consist of a minimum of three persons with sufficient education, training, licenses, and credentials. At the State Auditor's discretion, designated members may serve on both the review and selection committees concurrently.

Selection Criteria

The selection criteria employed in descending order of importance are:

- A. Experience and professional qualifications relevant to the project type.**
- B. Past performance on projects of similar scope for public agencies or private industry, including corrective actions and other responses to notices of deficiencies.**
- C. Capacity to accomplish work in the required times.**

D. Any additional criteria the selection committee determines to be relevant to the Office of the Auditor's needs or necessary and appropriate to ensure full, open, and fair competition.

The selection committee may also evaluate the form and content of narrative responses to assess writing competencies.

Additionally, the State Auditor, in her sole discretion, has the right to approve or disapprove of any representative of the prospective offeror assigned to an engagement before and throughout the contract term. The State Auditor also reserves the right to, at any time, approve, disapprove, or modify proposed project plans, timelines, and deliverables.

Finally, a prospective offerors' past performance on any prior engagements with the Office of the Auditor will be considered by the selection committees when evaluating prospective offerors for both qualifications and ranking, as applicable.

The relevant selection criteria covered on Form SOQ 2015-01 are as follows:

A. Experience and professional qualifications relevant to the project type.

Part III: Experience and Qualifications of Firm

B. Past performance on projects of similar scope for public agencies, including corrective actions and other responses to notices of deficiencies.

Part IV: Past Performance on Projects

C. Capacity to accomplish the work in the required time.

1. Part VI: Human Resources (Capacity)
2. Part VII: Areas of Interest

D. Any additional criteria determined in writing by the selection committee to be relevant to the State Auditor's needs or necessary and appropriate to ensure full, open, and fair competition for professional services contracts.

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FORM SOQ 2015-01 STATEMENT OF QUALIFICATIONS

I. General Information

Firm Name:

Type of Organization: (Check box)

- | | | |
|--|--------------------------------------|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> LLP | <input type="checkbox"/> LLC | <input type="checkbox"/> Joint Venture |
| <input type="checkbox"/> Other (describe): | | |

Business Address of Hawai'i Office:

Federal Employer Identification Number [FEIN]:

Year Established in Hawai'i :

Business Telephone No. of Hawai'i Office:

Name of Person in Charge of Hawai'i Office:

Contact Person:

Name:

Position:

Telephone No.:

Fax No.:

Email Address:

Type of CPA firm: (Check one only)

- a. National firm
- b. Regional firm
- c. Hawaii (only) firm

Size of Hawai'i Office

- | | | |
|--------------------------------|---------------------------------|--------------------------------|
| <input type="checkbox"/> Large | <input type="checkbox"/> Medium | <input type="checkbox"/> Small |
| <input type="checkbox"/> Large | <input type="checkbox"/> Medium | <input type="checkbox"/> Small |
| <input type="checkbox"/> Large | <input type="checkbox"/> Medium | <input type="checkbox"/> Small |

Names of Firm Partners/Principals:

1)

2)

Average Number of Employees Over the Previous Five Years:

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II. Licensing

A.	CPA FIRMS	<u>Yes</u>	<u>No</u>
1.	Is the CPA firm incorporated, organized, or registered under the laws of the State of Hawai'i? (<i>Provide a copy of the most current annual exhibit filed with the Department of Commerce and Consumer Affairs.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
2.	Is the CPA firm authorized to do business in the State of Hawai'i? (<i>Provide a copy of your general excise tax license.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
3.	Is the CPA firm licensed to practice in the State of Hawai'i?	<input type="checkbox"/>	<input type="checkbox"/>
4.	Is the CPA firm in good standing with the State of Hawai'i Board of Accountancy?	<input type="checkbox"/>	<input type="checkbox"/>
5.	Is the CPA firm in good standing with the AICPA?	<input type="checkbox"/>	<input type="checkbox"/>
6.	Does the CPA firm have a current quality control review report required by AICPA? (<i>Provide a copy.</i>) If no, when is the review scheduled? _____ (<i>Qualification is subject to completion of this review.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
7.	Does the CPA firm have:		
	a. A current tax clearance certificate (Form A-6)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. A current DLIR certificate of compliance (form #LIR27)?	<input type="checkbox"/>	<input type="checkbox"/>
	c. A current DCCA "Certificate of Good Standing"?	<input type="checkbox"/>	<input type="checkbox"/>
8.	Does the CPA firm have professional liability insurance? (<i>Provide a copy of the current certificate of insurance.</i>)	<input type="checkbox"/>	<input type="checkbox"/>
9.	Does the CPA firm's audit staff assigned to the engagement meet the CPE requirements as outlined in <i>Government Auditing Standards</i> ?	<input type="checkbox"/>	<input type="checkbox"/>
10.	Will the CPA firm's staff assigned to the engagement include licensed CPAs or be directly supervised by a licensed CPA?	<input type="checkbox"/>	<input type="checkbox"/>
11.	Does the CPA firm currently provide accounting or management consulting services to a state agency? If yes, list the State agency and indicate whether the CPA firm is independent with respect to these agencies.	<input type="checkbox"/>	<input type="checkbox"/>
12.	Is the CPA firm independent from State agencies?	<input type="checkbox"/>	<input type="checkbox"/>

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III. Experience and Qualifications of Firm

Provide information related to the experience and qualifications of the firm and persons available for assignment to engagements with the Office of the Auditor.

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Part III. Experience and Qualifications of Firm (continued)

**PERSONAL HISTORY STATEMENT OF PARTNERS/PRINCIPALS ASSIGNED TO
OFFICE OF THE AUDITOR ENGAGEMENTS**

Name:

Position with Firm:

	Total	As Principal in This Firm	As Principal in Other Firms	Other Than as Principal
Years of Experience:	_____	_____	_____	_____

Current CPE Requirements met: ☐ Yes ☐ No
(In accordance with Government Auditing Standards)

Education (college, degree, specialization):

Membership in Professional Organizations:

License (type, year, state):

Responsibilities on Previous Government or Similar Type of Engagements:

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Part III. Experience and Qualifications of Firm (continued)

**PERSONAL HISTORY STATEMENT OF MANAGERS/SENIORS ASSIGNED TO
OFFICE OF THE AUDITOR ENGAGEMENTS**

Name:

Position with Firm:

	Total	As Manager/Senior in This Firm	As Manager/Senior in Other Firms
Years of Experience:	_____	_____	_____

Current CPE Requirements met: ☐ Yes ☐ No
(In accordance with *Government Auditing Standards*)

Education (college, degree, specialization):

Membership in Professional Organizations:

License (type, year, state):

Responsibilities on Previous Government or Similar Type of Engagements:

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IV. Past Performance on Projects

Provide a list of professional services completed within the last five (5) years for State and local government entities. Indicate the name of the report issued.

- **Financial Statement Audits:**

<i>Name of Audit</i>	<i>Fiscal Year</i>	<i>Total Hours</i>

- **Single Audits Under OMB Circular A-133:**

<i>Name of Audit</i>	<i>Fiscal Year</i>	<i>Total Hours</i>

- **Accounting Services:**

<i>Name of Report</i>	<i>Fiscal Year</i>	<i>Total Hours</i>

- **Consulting Services:**

<i>Name of Project</i>	<i>Fiscal Year</i>	<i>Total Hours</i>

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V. References

Provide a minimum of three references. Two of which that have had services rendered during the past year.

1. Client Name and Address:

Client Contact Person:

Client Telephone Number and email address:

Nature of Services Provided:

Date(s) of Engagements(s):

2. Client Name and Address:

Client Contact Person:

Client Telephone Number and email address:

Nature of Services Provided:

Date(s) of Engagement(s):

3. Client Name and Address:

Client Contact Person:

Client Telephone Number and email address:

Nature of Services Provided:

Date(s) of Engagement(s):

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Part VI. Human Resources (Capacity)

Provide detailed information regarding the number of personnel currently employed in the organization as a whole.

Current Number of Personnel in the Organization*:

<u>Employee Classification</u>	<u>Audit</u>	<u>Tax</u>	<u>Support</u>	<u>Total</u>
Partners/Principals	_____	_____		_____
Certified Public Accountants (CPA), exclusive of partners/principals	_____	_____		_____
Professional staff, exclusive of partners/principals and CPAs	_____	_____		_____
Clerks, typists, and other supporting staff			_____	_____
TOTAL Organization Emploess	_____	_____	_____	_____

**Do not double count your employees between audit and other categories. List each employee under only one category.*

Number of personnel available for assignment to Office of the Auditor engagements:

<u>Employee Classification</u>	<u>Audit</u>	<u>Support</u>	<u>Total</u>
Partners/Principals	_____		_____
Certified Public Accountants (CPA), exclusive of partners/principals	_____		_____
Professional staff, exclusive of partners/principals and CPAs	_____		_____
Clerks, typists, and other supporting staff		_____	
TOTAL Employees Available	_____	_____	_____

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VII. Areas of Interest

I am interested in ☐ financial audits ☐ single audits ☐ other related services for the following size projects: (Check each box that applies)

Up to 500 hours ☐

501 to 2,500 hours ☐

2,501 to 6,000 hours ☐

6,001 to 10,000 hours ☐

Over 10,000 hours (e.g., State of Hawai'i's Comprehensive Annual Financial Report (CAFR) and Statewide Single Audit) ☐

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VIII. Other information

Provide the following additional information:

- 1) Promotional or descriptive literature the firm desires to submit; and
- 2) Any other pertinent data the firm desires to disclose.

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I hereby certify that the information included in the preceding Statement of Qualifications and any additional information included with the Statement of Qualifications is a true statement of fact.

Perspective Offeror: (Organization Name) _____

Person Authorized to Sign: (Print Name) _____

Signature of Person Authorized to Sign: _____

Title of Person Authorized to Sign: _____

Date: _____